



**JOSEPH KELLY**  
TREASURER AND TAX COLLECTOR

## COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
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LOS ANGELES, CALIFORNIA 90012  
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February 10, 2015


The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

16 February 10, 2015

  
PATRICK OZAWA  
ACTING EXECUTIVE OFFICER

**RECOMMENDATION TO ADOPT RESOLUTION APPROVING  
THE 2015C SEALED BID AUCTION OF "TAX-DEFAULTED PROPERTY  
SUBJECT TO THE POWER OF SALE"  
(THIRD AND FIFTH DISTRICTS) (3 VOTES)**

**SUBJECT**

Pursuant to Revenue and Taxation Code (R&TC) Sections 3694 and 3698, the Treasurer and Tax Collector seeks approval from the Board of Supervisors to conduct a sealed bid auction of tax defaulted properties on March 31, 2015.

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt the resolution approving the 2015C Sealed Bid Auction of "Tax-Defaulted Property Subject to the Power of Sale," pursuant to Chapter 7, Part 6, Division 1 of the R&TC.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of a sealed bid auction is to return tax-defaulted land to a revenue generating status by conveying the property to another owner, and to allow owners of contiguous parcels the opportunity to augment their property.

Pursuant to Section 3692 (c) of the R&TC, parcels that are rendered unusable by their size, location, or other conditions, and are subject to sale for nonpayment of taxes, may be offered by sealed bid sale procedures at a minimum bid to owners of contiguous parcels or to a holder of record of either a predominant easement or right-of-way easement.

Pursuant to Section 3698.5 (b) of the R&TC, the minimum bid requirements of Subdivision (a) of the same Section do not apply to property or property interests that qualify for a sealed bid sale.

Attached is a list of properties that meet the requirements of R&TC Sections 3692 (c) and 3698.5 (b), and have been tax defaulted for unpaid property taxes five or more years and are "Subject to the Power of Sale."

For sealed bid auctions, the cost for publications, notices, and title reports are incurred regardless of whether or not the property sells. Thus, to maximize the likelihood of these properties selling, we have established a very low minimum bid of \$100 and have selected properties for which constituents have contacted our office and expressed interest in purchasing. We have incorporated this similar strategy in our two most recent sealed bid auctions and the result was a significant improvement in bidder participation and in the percentage of parcels sold, as compared to earlier sealed bid auctions.

As such, we are proposing to incorporate the above-mentioned strategies into our sealed bid sale on March 31, 2015, at the Kenneth Hahn Hall of Administration, Room 140. As of the date of this letter, 12 properties are scheduled to be offered for sale. Our office previously mailed notices of delinquent taxes to the assesseees of record, and we will make reasonable efforts, as required by law to contact the owners and inform them of their tax liabilities and the provisions for redeeming their property.

In accordance with Section 3700 of the R&TC, those taxing agencies and nonprofit organizations that have filed a written request will receive a copy of the property listing with information regarding purchasing unredeemed properties for public use.

### **Implementation of Strategic Plan Goals**

Approval of this auction is in accordance with the Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability. The sealed bid sale procedure is used as both a collection technique for property taxes that are delinquent, and a means toward returning these tax-defaulted properties to a revenue-generating status, upon sale to another individual.

### **FISCAL IMPACT/FINANCING**

The sealed bid auction of tax-defaulted property allows the Tax Collector to recoup a portion of unpaid property taxes, penalties, and costs on delinquent parcels that have become "Subject to the Power of Sale" as provided under the R&TC. For the properties being sold by sealed bid procedures, it is not anticipated that the full redemption amount will be recovered.

The Tax Collector has budgeted the necessary funds for both the mailing of the Notice of Auction, which must be sent by certified mail to all known parties of interest pursuant to Section 3701 of the R&TC, and the mailing of the Bidder's Packet to all eligible bidders.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Section 3361 of the R&TC, the attached list of parcels, which are tax defaulted and "Subject to the Power of Sale," were published in an approved adjudicated local paper with the highest circulation in the geographic area in which each property is located.

The publication of the Notice of Sale, prior to the date of the sealed bid auction, will be published pursuant to Section 3702 of the R&TC and advertised in similar fashion as the above-mentioned "Subject to the Power of Sale" publication.

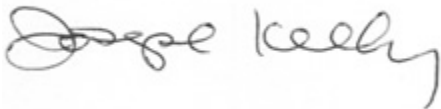
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not applicable.

**CONCLUSION**

It is requested that your Board adopt the attached Resolution as prepared and approved as to form by the County Counsel approving the 2015C Sealed Bid Auction of "Tax-Defaulted Properties Subject to the Power of Sale."

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Joseph Kelly", is written over a faint, circular official stamp.

Joseph Kelly

Treasurer and Tax Collector

JK:KG:KP:bb

Enclosures

c: Assessor  
Interim Chief Executive Officer  
Auditor-Controller  
County Counsel  
Acting Executive Officer, Board of Supervisors

**RESOLUTION APPROVING SALE OF TAX-DEFAULTED PROPERTY  
SUBJECT TO THE POWER OF SALE AT SEALED BID AUCTION**

**SALE NUMBER 2015C**

WHEREAS, pursuant to Revenue and Taxation Code, Section 3698, JOSEPH KELLY, Treasurer and Tax Collector, has transmitted to the Board of Supervisors on February 10, 2015, a notice of his intention to offer for sale and sell "Tax-Defaulted Properties Subject to the Power of Sale" at a sealed bid auction; and

WHEREAS, Revenue and Taxation Code, Section 3694 requires the Board of Supervisors to approve or disapprove the proposed sale of "Tax-Defaulted Properties Subject to the Power of Sale" at a sealed bid auction; and

WHEREAS, pursuant to Revenue and Taxation Code, Section 3698.5 (b) authorizes establishment of the minimum bid by the Treasurer and Tax Collector of "Tax-Defaulted Properties Subject to the Power of Sale" at a sealed bid auction; and

WHEREAS, the notice is on file with the Board of Supervisors;

NOW THEREFORE BE IT RESOLVED: That pursuant to the provisions of Chapter 7, Part 6, Division 1 of the Revenue and Taxation Code of the State of California, the Board of Supervisors does hereby approve the sale of these "Tax-Defaulted Properties Subject to the Power of Sale" designated and described in 2015C Sealed Bid Auction

Listing, and the establishment of the minimum bids by the Treasurer and Tax Collector pursuant to the Revenue and Taxation Code, Section 3698.

The foregoing resolution was on the 10th day of February 2015, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



County of Los Angeles

By Mike Antonovich  
Mayor of the Board of Supervisors

ATTEST: PATRICK OGAWA  
Acting Executive Officer-Clerk of  
The Board of Supervisors

By Heath Jean  
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By Sandy Ponicke  
Deputy County Counsel

2015C SEALED BID PARCEL LISTING

| <b>SALE PCL</b> | <b>ITEM NO.</b> | <b>Legal Description</b>   | <b>MIN BID</b> |
|-----------------|-----------------|--|----------------|
| 2172-014-007    | 1446            | TRACT NO 6170 EX SE 35 FT LOT 4980 BLK 39                        | \$100          |
| 2845-004-003    | 1447            | LICENSED SURVEYORS MAP AS PER BK 18 PG 21-22 OF L S LOT 134      | \$100          |
| 3040-020-005    | 138             | TRACT NO 8896 LOT 537  | \$100          |
| 3040-029-003    | 152             | TRACT NO 8896 LOT 505  | \$100          |
| 3040-030-020    | 156             | TRACT NO 8896 LOT 418  | \$100          |
| 3063-016-001    | 203             | TRACT # 9551 LOT 1 BLK 4   | \$100          |
| 3080-010-016    | 248             | RECORD OF SURVEY AS PER BK 65 PG 44 OF R S EX OF ST LOT 9        | \$100          |
| 3084-014-018    | 268             | S 1/2 OF S 1/2 OF SE 1/4 OF SE 1/4 OF NW 1/4 OF SEC 33 T 6N R 8W | \$100          |
| 3089-020-021    | 283             | *TR=RECORD OF SURVEY AS PER BK 74 P 43 OF RS*W 1/2 OF LOT 11     | \$100          |
| 3244-156-030    | 1448            | TR=35783-04 LOT 137  | \$100          |
| 4410-013-014    | 895             | TRACT # 1719 LOTS 202 AND LOT 203                                | \$100          |
| 5746-016-085    | 1449            | VAC ST ADJ of LOT 18 FAIRVIEW PLACE<br>EXTENSION ON W            | \$100          |